GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4013
ANSWERED ON:14.12.2001
DEPB SCHEME
NIKHILANANDA SAR;TARIT BARAN TOPDAR

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

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(a) the objective for introducing the Duty Entitlement Pass Book Scheme (DEPB) with effect from April 1, 1997; (

(b) whether DEPB has been successful in plugging the loopholes of the Value Based Advance Licensing Scheme (VABAL) during the last fiscal year; (

(c) if so, the details thereof; (

(d) if not, the reasons therefor; and (

(e) the corrective steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) : Duty Entitlement Pass Book (DEPB) Scheme was introduced in the wake of withdrawal of Value Based Advance Licence and Pass Book Scheme to provide easy, simple and transparent method of duty neutralization to Indian exporters.

(b) to (e) : Since DEPB is on post export basis,the problems of monitoring of export obligation and shortfall in fulfillment of export obligation as witnessed during the operation of VABAL have been taken care of. Moreover with a view to keep a check on over-valuation under DEPB Scheme, value caps have been imposed on most of the items having a higher DEPB rateThe Customs Authorities also verify the present market value with same objective in view. The validity of DEPB is restricted to 12 months.